

Yakima Training Center

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Demand Analysis

Overview

Yakima Training Center (YTC), also known as Yakima Firing Center (YFC), is an Army maneuver training area located in central Washington State. The installation is northeast of the town of Yakima and west of the Columbia River. YTC's primary mission is to train fighting forces to use weapons.

The population at Yakima Training Center has declined considerably over the last five years. The population was 199 in FY98; declined to 179 and 157 in FY99 and FY00, respectively. In FY02, the population reached 67. The installation expects the population to remain near this level, stabilizing at 65.

In FY02, Yakima Training Center lodging demand was comprised of 76% Temporary Duty (TDY) personnel and 24% Permanent Change of Station (PCS) personnel. There were no recorded unofficial travelers. The majority of TDY personnel attended classes and training activities that typically lasted 7 to 10 days. The majority of PCS stays averaged 7 days.

The table below describes Yakima Training Center's official demand population.

Yakima Training Center Official Market Demand Analysis		
	TDY	PCS
Total Demand:	76%	24%
Market Segmentation:		
Individuals	100%	< 10%
Families	0%	> 90%
Average Length of Stay (Days):		
14 days or less	60% (2 days)	90% (7 days)
More than 14 days	40% (15 days)	10% (25 days)

Source: Yakima Training Center Lodging Administration, compiled by HVS International

On Post Inventory

Yakima Training Center has 188 rooms in its lodging inventory.

Demand and Utilization

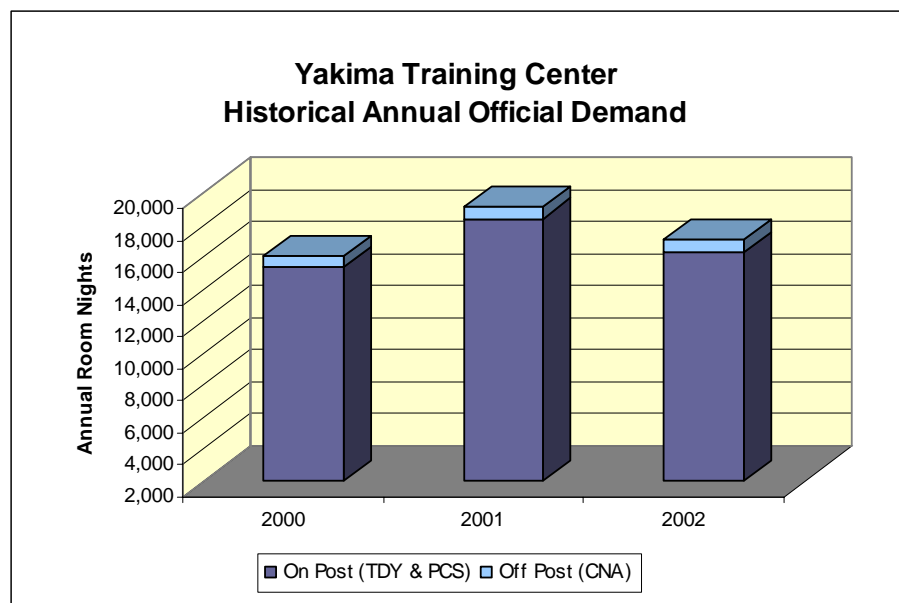
Data Summary

Official demand, including Certificates of Non-Availability (CNAs), totaled 16,343 room nights in FY02, 18,403 in FY01, and 15,364 room nights in FY00. FY02 total demand included 12,364 room nights attributable to the TDY segment. In FY02, total official demand averaged 45 room nights per day.

Due to the reported lack of acceptable units on site, PCS personnel sought accommodation off post. The estimate of PCS demand totals roughly 4,000 room nights annually.

There were 748 CNA room nights recorded for FY02 and no CNAs recorded for FY01 and FY00. Due to the lack of FY00 and FY01 CNA data, we relied on the FY02 data as typical for this installation.

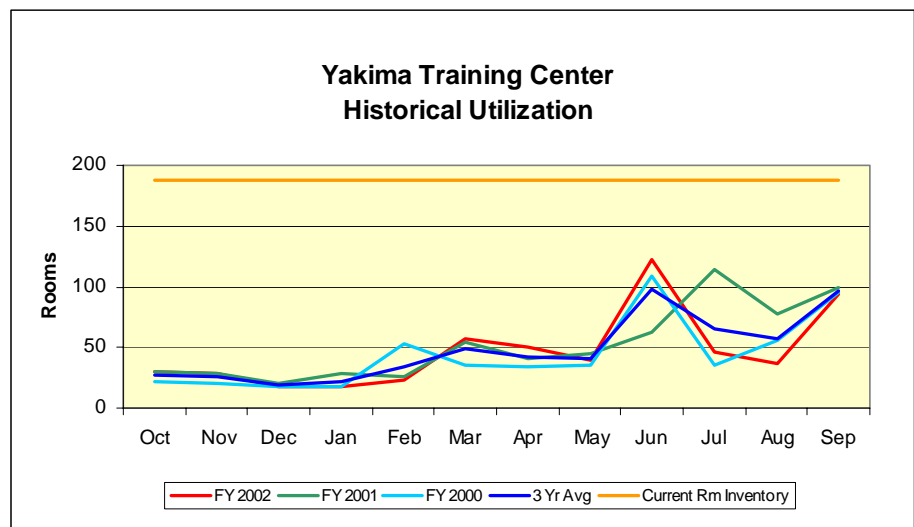
The following chart summarizes Yakima Training Center's historical data; it identifies the annual official demand both on and off post.



Source: Yakima Training Center Lodging Administration, compiled by HVS International

Lodging occupancy at Yakima Training Center was low and stable over the last three years. Occupancy increased minimally from 19.0% in FY00 to 20.4% in FY01; it then declined to 18.0% in FY02. Occupancy has not surpassed 21% during the last three years due to limited activity in the winter and the lack of on post PCS demand housed throughout the year. If on post PCS units would have been available in the room mix, occupancy would have been positioned at a higher level.

The following chart summarizes Yakima Training Center's historical utilization data by month.



Source: Yakima Training Center Lodging Administration, compiled by HVS International

Monthly variances between years are insignificant. The data illustrates a very consistent and predictable demand pattern from month to month at this installation.

Seasonality

Records indicate distinct seasonality to Yakima Training Center's lodging demand. Training activity and its resulting demand is minimal October through May and then increases considerably in June; September is also a notably strong month. There is limited need for lodging facilities October through January.

Factors Influencing Demand

The installation expects no significant pattern changes in future class or training scheduling.

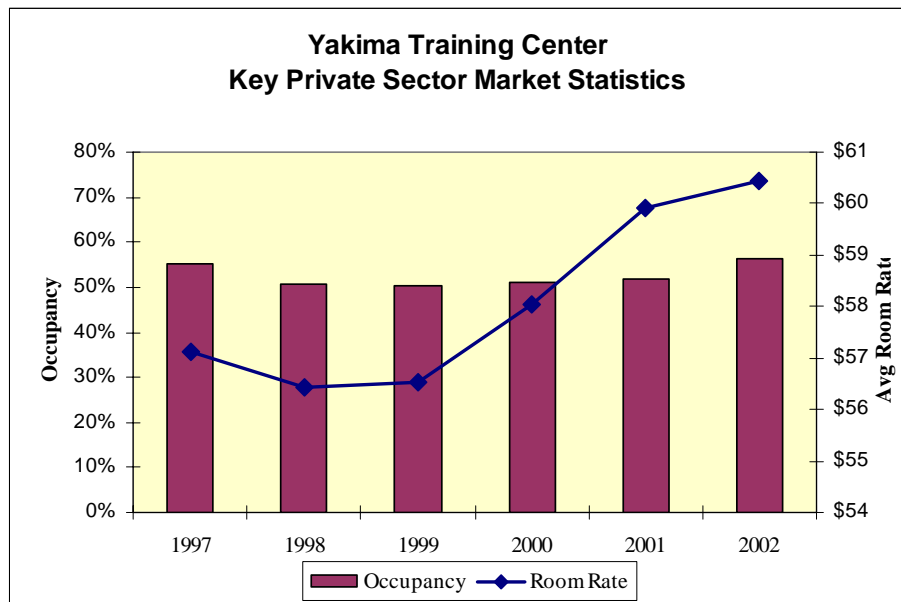
Private Market Capability

Yakima Training Center provides a referral list of nine hotels inclusive of 902 rooms within a 30-minute rush-hour driving time radius of the installation. These hotels range in size from 58 rooms to 208 rooms. The private market hotels represent a wide range of facilities affiliated with recognizable brand names such as Holiday Inn, Ramada Limited, Comfort Suites, and Doubletree.

As noted, demand is highest at the installation during June and September. While private market lodging is readily available in September, June accommodations are somewhat scarce due to the Yakima and south-central Washington region's being a popular summer tourist destination.

Room rates within the private market generally ranged from \$29 to \$65. The rounded, overall weighted average rate offered by hotels to government travelers on the referral list was \$59; however, during the month of June rates were generally \$5 higher. The rounded, market average rate reported by Smith Travel Research was similar at \$60 for calendar 2002 and at \$66 during June. Rates have risen slowly and consistently in recent years and this trend is expected to continue through the near term.

The FY02 off-post lodging per diem rate was \$55; however, our survey of the local lodging market revealed that the actual rate paid averaged \$62 for FY02. This reflects the weighted average rate offered to government travelers and also factors in the higher rates demanded in June, the installation's peak demand month. Therefore, this \$62 rate position is utilized in our quantitative analysis as this is the actual rate paid.



Source: Smith Travel Research

Demand Requirement Determination

Complete data pertaining to the last three years was available for the Yakama Training Center; therefore, we used this time frame as a basis for demand projections. As noted, no CNAs were registered in FY00 and FY01, so we used FY02 data as an indication of the typical CNA level.

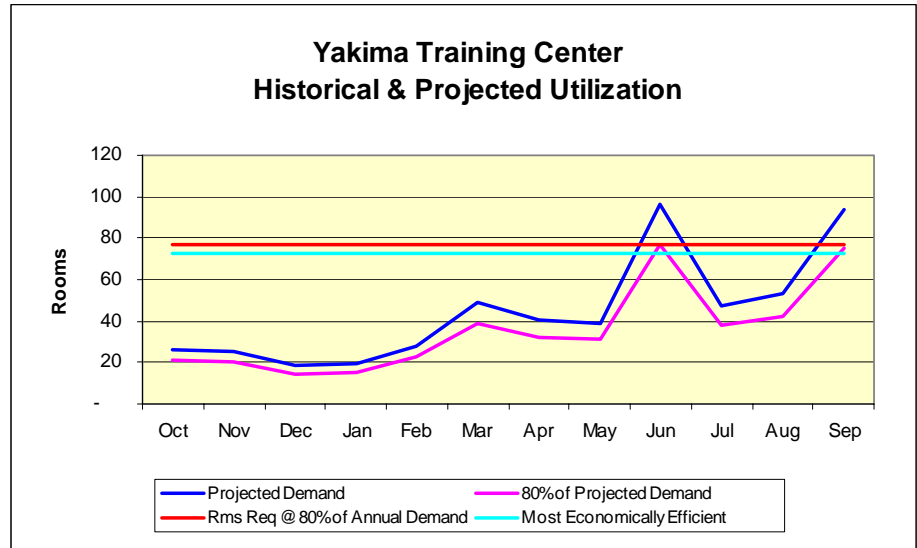
The normalization process eliminated monthly demand variances that were 20% greater or 20% less than average demand for FY00 through FY02. Variances greater or less than 20% of the average are atypical and unlikely to recur. For Yakima Training Center, normalization resulted in respective decreases of demand in FY00 and FY01 of 134 and 2,055 room nights, and an increase of demand in FY02 of 201 room nights.

The Core Lodging Requirement objective is to provide sufficient lodging to meet 80% of the official demand. Using this criterion, the total number of rooms required on an annualized basis is 77, generating occupancy of 53%. As implied by the criterion, at least 80% of the official demand is met each month. On an annual basis, 92% of the official demand is met.

Another method to determine the number of rooms to be provided at the installation applies the “Most Economically Efficient” criterion. This measure compares the cost of having a vacant room to the incremental cost of lodging personnel off post. When the costs of these scenarios are at equilibrium, the most cost efficient number of rooms will be provided

from an operating cost perspective. The number of rooms required to achieve this equilibrium for Yakima Training Center is 73 rooms. With a room inventory of 73 rooms, the expected occupancy is 55% and 91% of the official demand is met.

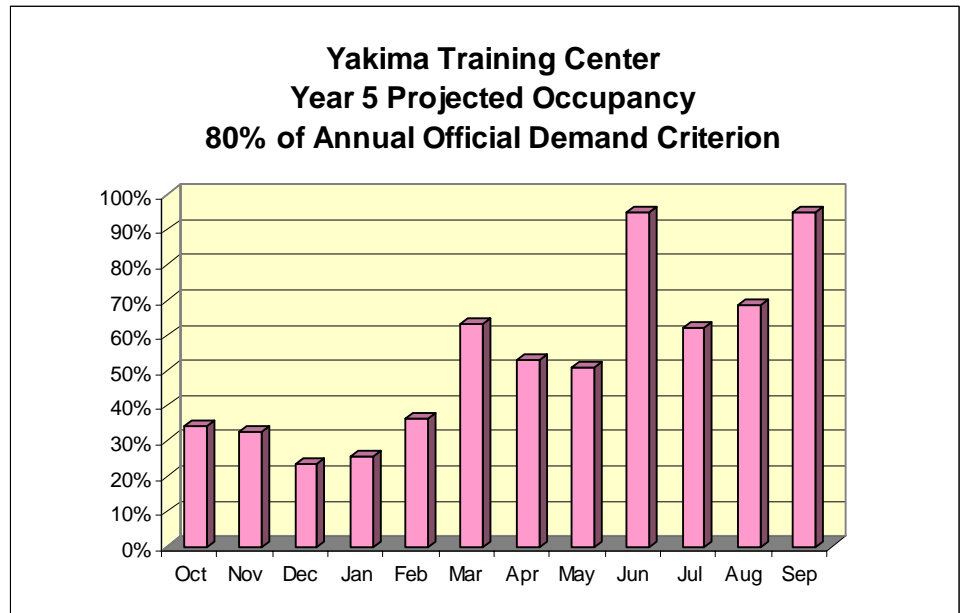
The chart below compares the alternatives to room inventory to projected demand.



Source: Yakima Training Center Lodging Administration and HVS International

Due to the heightened private market occupancy that occurs in June, we recommend the number of rooms provided by the “80% of Annual Official Demand” criterion, or 77 units. Yakima Training Center’s projected FY08 Average Daily Rate is \$18.74, based on projected operating costs and exclusive of Wellness recommended capital improvement costs.

The chart below presents the expected occupancy percentage on a monthly basis.



Source: HVS International

Using the “80% of Annual Official Demand” criterion, the average occupancy is 53%, and at least 80% of the official demand is met each month. On a monthly basis, occupancy varies from a low of 24% in December to 95% in June and September.

Summary and Recommendation

- Yakima Training Center's population has declined considerably over the last five years, from 199 personnel in FY98 to 67 in FY02; the installation forecasts population will now remain near this level
- The local private sector lodging market is reportedly stable and has the capacity to house personnel off-post; however, market demand is relatively strong during the installation's peak demand month of June
- Official demand has remained relatively stable over the last three years and is expected to remain at a similar level in the future
- The CNAs issued in FY02 equaled 748; no CNA data was provided for FY00 and FY01
- Providing a room inventory equal to 77 units will generate an annual occupancy of 53%.

Room Count and Mix Recommendation

- 77 rooms
- Proposed room mix:

- 40 standard guest rooms
- 27 extended-stay guest rooms offering a kitchenette
- 10 extended-stay family suites offering a separate bedroom, sitting/living area, and kitchenette